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Activities in the Office of the Chief

Attached are reports prepared by employees assigned to the Office of the Chief, i. e. , Fund Drive Coordinator and the Executive Secretary, Agency Retirement Board. In addition to those reports, submitted below are items which have involved other representatives assigned to the Office of the Chief, as well as the personal activities of the Chief. Because of his historical involvement in certain programs, e. g. , MIA activity and insurance, which are normally included in Branch reports, certain additional comments will be found below.

1. Employee Activities

One of the most active Division programs in Fiscal Year 1964 was in the overall area of recreation and employee activities. As a result of demonstrated interest in recreational activities, as well as its continued growth within the Agency, approval was obtained to formalize an association which ultimately became known as the Employee Activity Association. In its early stages, the Association was an unincorporated entity with a Board of Directors and advisors. Four of the members of the Board were elected by current participants in Association activities and the fifth, a member at large, was appointed by the Director of Personnel. In the second half of the Fiscal Year, it became apparent that the form of the Association should be taken one step more, and it was finally incorporated within the State of Virginia.

New offices were completed for the Association employees in the North Cafeteria Concourse, where, in addition to the regular business, ticket sales service and special sales are conducted. In January the Association launched a safety seat belt program including the sale of seat belts and retractors. We were advised that the program was one of the most successful conducted by a Federal agency. On a trial basis, a ticket service was commenced in February and we soon realized we had a tiger by the tail because employees response exceeded all expectations. For the slightly more than 4 month period, employees had purchased almost \$30,000 worth of tickets, many at substantial discounts.

The third annual trophy presentation was held in March honoring winning teams and members of those teams who participated in Agency sponsored sports during the summer and fall. The Deputy Director of Central Intelligence, the Executive Director, and all Deputy Directors were present. Then in June, the Deputy Director for Central Intelligence opened the Agency softball season by throwing out the first ball.

DOCUMENT NO. \_\_\_\_\_  
NO CHANGE IN CLASS. ( )  
IF DECLASSIFIED \_\_\_\_\_  
CLASS. CHANGED TO: IS S \_\_\_\_\_  
NEXT REVIEW DATE: \_\_\_\_\_  
AUTH: HR 70-2 \_\_\_\_\_  
10 MAR 1965

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The Association coordinated the Agency Christmas Program including decorations, religious services, and distribution of toys donated by Agency employees. During the Christmas season, the Agency Chorale gave three concerts, two at Headquarters and one at NPIC. At the personal request of the Director of Central Intelligence, this group sang Christmas carols for the USIB on the same day that they caroled in the halls at Headquarters. In May, the Agency Chorale presented its 2nd Annual Spring Concert, twice at Headquarters and once at NPIC.

During the Fiscal Year there were many conversations concerning the need for income with which to operate the Association, particularly the payment of the salaries of employees. Plans for a membership drive were submitted and approved by the DD/S. As part of his approval, however, he requested that there be formal coordination with the Deputy Directorates. This coordination was initiated by a presentation of the membership drive proposal to the Personnel Advisory Board. Subsequently, a tentative DD/P position in effect would bar participation by many of the Clandestine Services personnel. It is our hope, however, that we can overcome this initial resistance by ensuring no compromise of the security and cover of Clandestine Services personnel through their participation in the Association's activities.

Barbershop: The Division prepared a request from the Director of Personnel to the Acting Deputy Director for Support recommending that he ask the General Services Administration for authority for CIA to enter into a contractual relationship with the Agency's Employee Activity Association for the use of space in the Headquarters Building as a barbershop. The Acting Deputy Director for Support forwarded a letter to the General Services Administrator, Mr. Boutin, requesting the above. The General Services Administration replied that it preferred that the Government Services Incorporated install and run the barbershop. Subsequently, the Director of Personnel and the Division Chief met with the President of GSI to discuss an arrangement whereby GSI might install and operate the barbershop and give to the Association a portion of the gross receipts. It is our understanding that GSI plans to discuss at a Board of Directors meeting the operation of the barbershop in the Agency through the use of a concessionaire and the sharing with the Employee Activity Association of a portion of the gross receipts.

Exercise Room: As a result of a series of informal meetings which were initiated by the Special Assistant to the DCI, the Executive Director, on 25 May 1964, asked the Deputy Director for Support to arrange for the construction of the Exercise Room in Headquarters Building with a completion date of 1 September. On 11 June we were designated as the Project Coordinators with the specific responsibility of submitting recommendations for the

installation of equipment and necessary construction before the end of the Fiscal Year. The construction and equipment costs were approved on 29 June and \$19,500 was obligated on 30 June.

It is tentatively planned that the organizational responsibility for the Exercise Room will be assigned to this Division, and an appropriate plan has been submitted for approval.

## 2. Casualty Standards and Planning

One of the most significant accomplishments during the Fiscal Year was the approval by the Executive Director of a new approach to Agency commitments for death and disability benefits for those employees involved in hazardous and sensitive undertakings who are not eligible for Federal statutory benefits or Agency sponsored insurance programs. Also approved at the same time was a requirement for the advanced planning for the contingency of casualties for all employees involved in hazardous or sensitive undertakings. This new concept was the result of the experience of many deficiencies in past situations, for example, the [REDACTED] cases; for the first time, there is centralized in the Director of Personnel a single point of control for the commitment of certain types of liability for death and disability cases, as well as casualty planning. Involved were many meetings with representatives of the DD/P with the Director of Personnel and with the representatives handling the new [REDACTED]. Subsequent to the approval of the staff paper, a draft of a regulation on the subject was prepared and is in the process of coordination.

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4. Credit Union

The Credit Union responded to a request of the SSA-DD/S concerning the interest rate on loans for cars which are taken overseas or are purchased overseas. The normal practice was to charge 3/4% in these instances as compared to the preferred rate of 1/2% on new car loans. The Board of Directors authorized the preferred rate of 1/2% for new car loans even when the new car is taken overseas or purchased overseas.

In January 1964, the Division Chief initiated a series of discussions with representatives of the Bureau of Federal Credit Unions and our Office of Security, as well as the Director of Security, HEW, concerning the safeguarding of classified material in matters pertaining to the Credit Union. Although some resistance was met from the Bureau of Federal Credit Unions, the discussions culminated in an agreement among the Director of Security, HEW, the Bureau of Federal Credit Unions, and our Director of Security. Thus, for the first time, material released by our Credit Union to the Bureau of Federal Credit Unions and other correspondence and papers can be classified depending on the information contained therein and new appropriate safeguards for the handling of this classified information have been developed.

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